

CITY OF BELLEVUE
King County, Washington
January 1, 1993 Through December 31, 1993

Schedule Of Federal Findings

1. The City Should Not Seek Reimbursement For Costs Subsequently Recovered

The City of Bellevue charged the Federal Emergency Management Agency (FEMA) Disaster Assistance Program (CFDA 83.516) for costs the city subsequently recovered. These costs derived from charges by Eastside Disposal for debris clearance after the January 1993, inaugural day storm.

- a. FEMA reimbursed the city \$24,564 (75 percent of \$32,752) for a garbage tax the city's General Fund paid to Eastside. Eastside remitted this tax back to the General Fund.

In good faith, the city consulted its FEMA representative from the state Department of Community Development about whether to include this tax in its request for reimbursement. The city acknowledged that the garbage tax would come back to the city in total. According to a city-generated "memo to the file," the FEMA representative said that such taxes are allowable. The representative's approval was oral; his criteria are not indicated.

- b. FEMA reimbursed the city \$14,892 (75 percent of \$19,856) for regular February route costs. Eastside charged both the city and its regular route subscribers. Eastside reimbursed the city for this overbilling.

The city wanted to provide debris clearance to all residents. It did not want regular route subscribers to pay for a service that the city was providing free to nonsubscribers. However, when the city paid Eastside, the regular route subscribers had already paid for February service.

The FEMA disaster assistance program is a cost-sharing grant. The federal government supports 75 percent of disaster-related costs; the state supports 12.5 percent. Because the city recovered the above amounts from other sources, there are no actual "costs" to be shared.

We recommend the following:

- a. Obtain a written determination from a federal FEMA representative as to whether these claims are allowable.
- b. If FEMA deems these claims unallowable, confer with federal and state representatives as to the appropriate disposition of the questioned costs.